

11 September 1964

MEMO FOR THE RECORD

SUBJECT: BIC/Commerce

1. Simpson and his deputy, Murray Rennert, discussed with me at Commerce today Karem Key's lagging Section 65 production and prospects for realistic FY66 planning. Karem Key arrived in FY65 with six holdovers from FY64, but promises to do nine units (three holdovers and six new) per year during the current year, FY65, and next, FY66, so as to be free of shortfall by the end of FY66. I mentioned some doubt that Key can do nine per year and showed our list of 29 areas now planned for essential 65 coverage after selection out of those areas that can be suitably described in Section 6 of the General Survey. I suggested that a cycle of revision every six years seemed soon enough for most of these and some might last even longer. At this rate we wouldn't need more than 5 per year and might help Karem catch up by reducing his FY66 commitment to five.

2. This seemed good to Mr. Simpson. Mr. Rennert wondered

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3. I suggested to Simpson that since some curtailment of his present T/O would eventually be possible no new personnel should be hired. The present staff for NIS purposes in BIC is as follows:

<u>GS Rating</u>	<u>Authorized</u>	<u>On Duty</u>
14	1	1
13	2	1
12	3	1
11	-	2
05	2	2

When I asked about the missing 13 Rennert said he was already on the way.

4. Simpson and Rennert said they were keeping in close touch with production and checking fulfillment against scheduling every two weeks. When I said this was up to them they said a little pressure from us on Karem Key would also be helpful because otherwise Karem tells them not to worry because OBI seems contented with present performance. I said I could add tactfully to the pressure on Karem by mentioning any lapses appearing in their monthly report.

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cc: AO;